

Item: _____
Fiscal Impact: _____
Funding Source: Tax Increment
Account #: _____
Budget Opening Required: ☐

ISSUE:

This Resolution concerns an Amendment to the Agreement for the redevelopment of Valley Fair Mall between the City, the West Valley City Redevelopment Agency (“RDA”), and VFM-ALC, LC, VFM-CPZ, LC, River Ridge VFM, L.L.C., and Hill Field Holding VFM, L.L.C., the Valley Fair Mall owners.

SYNOPSIS:

This Amendment to the Agreement for the redevelopment of the Valley Fair Mall will reduce the total square footage of leaseable space required at the Mall in order for the Mall owners to qualify for a tax increment subsidy from the RDA. The square footage changes are as follows:

Substantial Completion: original 897,750 / new 800,000 square feet

Space under lease: original 673,125 / 550,000 square feet

Minimum Acceptable Improvement Area: original 139,000 / new 100,000 square feet

Town Center: original 41,325 / new 35,117 square feet

BACKGROUND:

In the Agreement, the RDA agrees to pay a tax increment incentive to the Valley Fair Mall owners to facilitate the renovation and expansion of Valley Fair Mall. The amount of the tax increment incentive represents approximately 70% of the new property taxes that will be received by the RDA over the life of the Project. The payment of the tax increment incentive is not due until the renovation and construction project is substantially completed by the Mall owners. Upon completion, the RDA anticipates issuing redevelopment bonds and will use the tax increment as the source of funds to make the bond payments. If the RDA is for some reason unable to bond for the tax incentive payment then it has agreed to pay to the Mall owners, 70% of the tax increment received by the RDA over the life of the project as the tax incentive.

RECOMMENDATION:

Staff recommends the City Council approve this resolution.